

HOUSE BILL No. 1011

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Homestead circuit breaker. Provides a 1.5% circuit breaker credit to homesteads for 2007 property taxes. Makes an appropriation to replace the revenue lost to political subdivisions as a result of the granting of the credit.

Effective: July 1, 2007 (retroactive).

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January 8, 2008, read first time and referred to Committee on Ways and Means.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1011

A BILL FOR AN ACT concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] (a)
2 **This SECTION applies only to property taxes first due and payable**
3 **for the March 1, 2006, or January 15, 2007, assessment dates,**
4 **regardless of the dates that an installment of the property taxes is**
5 **due.**

6 (b) The definitions in IC 6-1.1-1 apply throughout this
7 SECTION. The following definitions also apply throughout this
8 SECTION:

9 (1) "Credit" refers to a credit granted under this SECTION.

10 (2) "Homestead" means a homestead that is eligible for a
11 homestead credit under IC 6-1.1-20.9 for property taxes
12 imposed for the March 1, 2006, or January 15, 2007,
13 assessment date.

14 (3) "Property tax liability" means liability for ad valorem
15 property taxes imposed on tangible property under IC 6-1.1,
16 determined after application of all credits and deductions
17 under IC 6-1.1 or any other law, except the credit under this



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SECTION. The term does not include any interest or penalty imposed under IC 6-1.1.

(c) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable for 2007 that are attributable to the person's homestead. The credit is in lieu of any credit granted for the same homestead under IC 6-1.1-20.6.

(d) The amount of the credit to which a person is entitled is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in 2007 exceeds one and one-half percent (1.5%) of the gross assessed value that is the basis for determination of property taxes on the person's homestead property for property taxes first due and payable in 2007.

(e) A person is not required to file an application for the credit. The county auditor shall:

(1) identify the property in the county eligible for the credit; and

(2) apply the credit to property tax liability on the identified property.

(f) A county auditor:

(1) may apply the entire amount of a credit reduction equally to all installments of property taxes first due from the taxpayer; or

(2) if application of the credit reduction to the first installment would delay the delivery of tax statements more than thirty (30) days after the date that the tax statements would otherwise be mailed or transmitted, may:

(A) issue revised tax statements and apply the entire credit reduction to the property tax due in a later installment; or

(B) apply the credit reduction when the person pays the person's property tax liability without mailing or transmitting a revised tax statement.

IC 6-1.1-22.5-6 does not apply if a county auditor elects to proceed under subdivision (2). If, after the application of the credit, the taxpayer has overpaid the amount of the taxpayer's property tax liability on a homestead and the taxpayer has not filed a claim for a refund under IC 6-1.1-26, the county auditor shall, without requiring the taxpayer to file a claim, compliance with IC 6-1.1-26, or an appropriation, apply the overpayment as a credit to the tax liability that would otherwise be due on the homestead property for the March 1, 2007, or January 15, 2008, assessment date.

(g) The department of local government finance may prescribe

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1 procedures to implement the credit. County auditors and county
2 treasurers shall comply with the procedures prescribed under this
3 SECTION.

4 (h) The property tax replacement fund board shall provide for
5 an additional distribution to taxing units from the state general
6 fund to replace revenue lost to a county as the result of the
7 granting of additional credit. The distribution for all taxing units
8 in a county shall be made to a county auditor on the schedule
9 determined by the property tax replacement fund board. To the
10 extent possible, the distribution shall be made on the same schedule
11 as other distributions for the year under IC 6-1.1-21-10. A
12 distribution described in this subsection is not subject to any law
13 limiting the maximum amount that may be distributed under
14 IC 6-1.1-21 and P.L.234-2007. The amount distributed under this
15 subsection is not included in the amount used to determine the
16 minimum amount that must be distributed or the maximum
17 amount that may be distributed by the property tax replacement
18 board under IC6-1.1-21 and P.L.234-2007. In addition to any other
19 appropriation to the property tax replacement fund board, there
20 is appropriated to the property tax replacement fund board a
21 sufficient amount from the state general fund to carry out this
22 subsection, beginning July 1, 2007, and ending June 30, 2009.

23 (i) A county auditor shall allocate a distribution under this
24 SECTION to the taxing units in the county in proportion to the
25 property tax revenue lost by each taxing unit from the application
26 of the credit. Money distributed by the property tax replacement
27 fund board under this SECTION shall be treated as property taxes
28 for all purposes.

29 SECTION 2. An emergency is declared for this act.

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